

EASTERN SHORE COMMUNITY COLLEGE

**REPORT ON REVIEW
FOR THE YEAR ENDED
JUNE 30, 2007**





Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295

Richmond, Virginia 23218

Walter J. Kucharski, Auditor

February 12, 2008

Dr. Cheryl Thompson-Stacy, President
Eastern Shore Community College
29300 Lankford Hwy
Melfa, VA 23410

Dear Dr. Thompson-Stacy:

We have reviewed the accompanying Statement of Net Assets of **Eastern Shore Community College** as of June 30, 2007, and the related Statement of Revenues, Expenses, and Changes in Net Assets for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the individual community college.

A review consists principally of inquiries of college personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Eastern Shore Community College is one of 23 community colleges that comprise the Virginia Community College System, which is a component unit of the Commonwealth of Virginia. The Auditor of Public Accounts audits the Commonwealth of Virginia's Federal funds at a statewide level under the Statewide Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133. As a major program, the Auditor of Public Accounts audits Federal Student Financial Aid at Virginia's state-supported colleges and universities generally on a triennial cyclic basis. The Auditor of Public Accounts audited Eastern Shore Community College's Federal Student Aid programs in fiscal years 2002 and 2005 and did not report any material compliance issues. Copies of our audits of the system wide financial statements of the Virginia Community College System along with copies of our Statewide Single Audits are on our website at www.apa.virginia.gov.

This letter is intended solely for the information and use of the accreditation review board and is not intended to be and should not be used by anyone other than this specified party. However, this letter is a matter of public record and its distribution is not limited.

Sincerely,

Walter J. Kucharski
Auditor of Public Accounts

Enclosure
DBC/wdh

EASTERN SHORE COMMUNITY COLLEGE
STATEMENT OF NET ASSETS
As of June 30, 2007

	Component Unit	
	Community College	Eastern Shore Community College Foundation
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 625,069	\$ 88,498
Short term investments	73	478,623
Accounts receivable	246,791	-
Due from Commonwealth	17,367	-
Prepaid expenses	27,783	-
Inventories	75,970	-
Notes receivable	330	-
Total current assets	993,383	567,121
Noncurrent assets:		
Restricted cash and cash equivalents	2,813,134	-
Endowment investments	-	205,125
Due from Commonwealth	5,397	-
Non-depreciable capital assets	835,167	-
Depreciable capital assets, net	1,278,200	-
Total noncurrent assets	4,931,898	205,125
Total assets	5,925,281	772,246

	Component Unit	
	Community College	Eastern Shore Community College Foundation
LIABILITIES		
Current liabilities:		
Accounts and retainage payable	421,599	371
Accrued payroll expense	314,779	-
Deferred revenue	73,332	-
Long-term liabilities-current portion	157,590	-
Due to Commonwealth	900	-
Deposits	10,849	-
Total current liabilities	979,049	371
Noncurrent liabilities:		
Long-term liabilities	195,687	-
Total liabilities	1,174,736	371
NET ASSETS		
Invested in capital assets, net of related debt	2,113,367	-
Restricted for:		
Nonexpendable	-	248,447
Expendable	2,561,758	433,741
Unrestricted	75,420	89,687
Total net assets	\$ 4,750,545	\$ 771,875

See Auditor of Public Accounts' Review Report

EASTERN SHORE COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2007

	Component Unit	
	Community College	Eastern Shore Community College Foundation
Operating revenue:		
Tuition and fees (net of scholarship allowance of \$554,279)	\$ 654,622	\$ -
Federal grants and contracts	1,796,561	-
State and local grants	52,940	-
Nongovernmental grants	4,500	-
Auxiliary enterprises (net of scholarship allowance of \$133,263)	142,736	-
Gifts and contributions	-	132,454
Endowment income	-	24,690
Other operating revenues	13,051	9,000
Total operating revenue	2,664,410	166,144
Operating expenses:		
Instruction	2,986,025	-
Public service	24,788	-
Academic support	599,497	16,171
Student services	536,461	-
Institutional support	883,099	34,253
Operation and maintenance	358,316	-
Scholarships and fellowships	461,554	33,763
Auxiliary enterprises	252,878	-
Other expenses	6	-
Total operating expenses	6,102,624	84,187
Operating income/(loss)	(3,438,214)	81,957

	Component Unit	
	Community College	Eastern Shore Community College Foundation
Nonoperating revenues/(expenses):		
State appropriations	2,958,901	-
Local appropriations	42,174	-
Grants and gifts	104,503	-
Investment income	51,149	50,493
Net nonoperating revenue	3,156,727	50,493
Income before other revenues, expenses, gains, and losses	(281,487)	132,450
Capital appropriations-state	828,457	-
Capital gifts, grants and contracts	62,552	-
Additions to permanent and term endowments	-	16,706
Increase in net assets	609,522	149,156
Net assets - beginning of year	4,141,023	622,719
Net assets - end of year	\$ 4,750,545	\$ 771,875

See Auditor of Public Accounts' Review Report